

**314 AUTO-ASSIGNMENT ALGORITHM**

EFFECTIVE DATE: 10/01/13, 11/01/15, 10/01/18

REVISION DATE: 10/24/13, 07/30/15, 05/17/18

**I. PURPOSE**

This Policy applies to AHCCCS Complete Care (ACC) Contractors. The purpose of this Policy is to describe the factors and methodology used to calculate the auto-assignment algorithm. Assignment to Contractors occurs in a manner consistent with AHCCCS goals.

**II. DEFINITIONS**

<b>GEOGRAPHIC SERVICE AREA (GSA)</b>	An area designated by AHCCCS within which a Contractor of record provides, directly or through subcontract, covered health care service to a member enrolled with that Contractor of record, as defined in 9 A.A.C. 22, Article 1.
<b>FAMILY CONTINUITY</b>	A situation where the member's household includes individuals who are also members as reflected in the eligibility case file.
<b>TARGET PERCENTAGES</b>	The proportion of members calculated applying an AHCCCS defined methodology which is used to distribute members to each Contractor.

**III. POLICY****A. COMPONENTS OF THE AUTO-ASSIGNMENT ALGORITHM****1. Overview**

The auto-assignment algorithm is a mathematical formula used to distribute members who have a choice of Contractors but who do not exercise their right to choose a Contractor within the prescribed time limits, and do not have enrollment assigned based on family continuity.

If a member is auto-assigned, AHCCCS sends a Choice Notice to the member and allows the member 90 days to choose a different Contractor.

Babies born to mothers enrolled in the Federal Emergency Services (FES) Program, CMDP, or babies born to mothers with an SMI determination who are enrolled with a RBHA, are auto-assigned to an AHCCCS Complete Care Contractor when no family continuity exists. Mothers of these newborns are sent a Choice Notice advising them of

their right to choose a different AHCCCS Complete Care Contractor for their child, which allows them 90 days to make a choice.

The auto-assignment algorithm uses a combination of weighted pre-determined factors, outlined below, to assign points to Contractors, which are then used to calculate Target Percentages. The Target Percentages are loaded into a data table and a formula is used to assign cases to Contractors. A case may be a member or a household of members. The algorithm data table consists of all the Geographic Service Areas and Pima County (hereafter GSAs), all Contractors serving each GSA, and the Target Percentages established by risk group. The equation used to assign members is:

$$(t/T) - P = d$$

t = The total members assigned to the GSA, per risk group category, for the Contractor

T = The total members assigned to the GSA, per risk group category, all Contractors combined

P = The calculated target percentage of members per risk group for the Contractor

d = The difference

All Contractors, within a given GSA and for each risk group, will have a placement in the algorithm and will receive members accordingly. A Contractor with a more favorable target percentage in the algorithm will receive proportionally more members. Conversely, a Contractor with a lower target percentage in the algorithm will receive proportionally fewer members.

The Contractor furthest from its target percentage within a GSA and risk group, i.e. the largest negative difference, is assigned the next case for that GSA. The algorithm is calculated after each assignment to give a new difference for each Contractor. When multiple Contractors have the same largest negative difference, the Contractor with the lowest Health Plan ID Number will be assigned the case.

## 2. Factors

Target Percentages will be developed using the following factors:

FACTOR		WEIGHTING
1.	The Contractor's ranking on the AHCCCS Complete Care RFP Capitation–Non-Benefit Costs bids	25%
2.	The Contractor's overall ranking on the AHCCCS Complete Care RFP contract award	50%
3.	The Contractor's ranking from the IT Demo completed as part of the RFP readiness review	25%

These are listed as Factor #1, Factor #2 and Factor #3 in the example under “4. Target Percentages” below.

### 3. Points

Each Contractor will be assigned a number of points for each of the above three factors using the following table:

<b>NUMBER OF AWARDS IN GSA FOR EACH FACTOR</b>	<b>1ST PLACE</b>	<b>2ND PLACE</b>	<b>3RD PLACE</b>	<b>4TH PLACE</b>	<b>5th Place</b>	<b>6th Place</b>	<b>7th Place</b>
2	60	40					
3	44	33	23				
4	35	28	22	15			
5	30	25	20	15	10		
6	27	23	19	15	10	6	
7	24	21	18	14	11	8	4

Points are assigned based on the number of Contractors in each GSA:

- North
- Central
- South (excluding Pima County)
- Pima County

Points will be weighted as indicated above to determine each Contractor’s target percentage by risk group by GSA.

If two or more Contractors have equal ranking for one of the factors, each Contractor is given an equal share of the total points that are assigned for each of the places they occupy. For example, in the event of a two-way tie for the second place in a GSA with 3 awards, the points for the second and third place, 33 and 23, respectively, would be added together and divided by 2 resulting in an award of 28 points to each Contractor for the factor. In the event of a three-way tie for the third place in a GSA with 5 awards, the points for the third, fourth and fifth place, 20, 15 and 10, respectively, would be added together and divided by 3 resulting in an award of 15 points to each Contractor for the factor.

#### 4. Target Percentages

By weighting the points assigned to each factor, the Target Percentages are determined.

The following example, using four awards, illustrates the relationship of the factors, points, and Target Percentages.

**EXAMPLE: AGE 1-20**

CONTRACTOR	FACTOR #1 (NON-BENEFIT COSTS BIDS RANK) 25% WEIGHT		FACTOR #2 (ACC RFP AWARD RANK) 50% WEIGHT		FACTOR #3 (IT DEMO RANK) 25% WEIGHT		TARGET %
	RANK	POINTS	RANK	POINTS	RANK	POINTS	
CONTRACTOR A	1 <sup>st</sup> Place	35.00	2 <sup>nd</sup> Place	28.00	3 <sup>rd</sup> Place	22.00	28.25%
CONTRACTOR B	3 <sup>rd</sup> Place	22.00	1 <sup>st</sup> Place	35.00	2 <sup>nd</sup> Place	28.00	30.00%
CONTRACTOR C	2 <sup>nd</sup> Place	28.00	3 <sup>rd</sup> Place	22.00	4 <sup>th</sup> Place	15.00	21.75%
CONTRACTOR D	4 <sup>th</sup> Place	15.00	4 <sup>th</sup> Place	15.00	1 <sup>st</sup> Place	35.00	20.00%
		100.00			100.00	100.00	100.00%

#### B. MAXIMUM ENROLLMENT

1. Quarterly on October 1, January 1, April 1, and July 1, those Contractors in Pima County and the Central GSA that have enrolled membership equal to or greater than 45% of the GSA total will have their Target Percentages set to zero. The points removed will be redistributed based on the existing distribution to all the remaining Contractors in that GSA that have not reached the 45% maximum enrollment threshold. Maximum enrollment will be re-tested in the following quarter to determine if the Contractor is equal to or greater than 45% of the GSA. If yes, the Target Percentages will remain at zero. If no, the Target Percentages will be returned to the original distribution prior to being set to zero.
2. AHCCCS will use a standard enrolled membership report run out of the Agency's data warehouse to determine the enrolled membership used in the calculation. This report will be run for the following effective dates: September 1, December 1, March 1, and June 1.

3. Once a Contractor in Pima County or the Central GSA is determined to reach the 45% threshold, the Contractor will be notified before the auto-assignment algorithm is changed.

#### **C. ANNUAL ADJUSTMENTS**

1. The auto-assignment algorithm will be reviewed annually by AHCCCS for updates to data used for existing factors, when appropriate, and/or substitution of new factors. The Target Percentages assigned to each Contractor may be recalculated based on the combination of factors used. If new factors are being incorporated into the auto-assignment algorithm, AHCCCS will notify the Contractor no less than three months prior to October 1 or the effective date. See Section E below. Updating an existing factor with more recent data is not considered a new factor requiring no less than three months prior notification.
2. Each Contractor will receive from DHCM Finance the updated auto-assignment algorithm with updated Target Percentages once they are changed.

#### **D. MEDICARE ALIGNMENT**

AHCCCS may address assignment of dual eligible members in a unique manner for improved care coordination opportunities.

#### **E. FUTURE AUTO-ASSIGNMENT FACTORS**

1. AHCCCS may change the auto-assignment algorithm at any time during the term of the Contract in response to Contractor-specific issues (e.g. imposition of an enrollment cap) or in the best interest of the AHCCCS Program and/or the State. AHCCCS may change the algorithm factor methodology for subsequent years to recognize and reward Contractor performance across a variety of factors of importance to AHCCCS.
2. Factors may be based on a combination of one or more of the following:
  - a. Capitation Rates,
  - b. Clinical performance measures,
  - c. Encounter submission measures,
  - d. Claims processing performance measures,
  - e. Other administrative measures (e.g. measures related to grievances/hearings), and/or
  - f. Operational Reviews or other performance assessments.